



California Public Utilities Commission

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Press Release

FOR IMMEDIATE RELEASE

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PUC Completes Implementation Rules For Community Choice Aggregation Program

SAN FRANCISCO, December 15, 2005 - The California Public Utilities Commission (PUC) today implemented rules that allow for the complete implementation of the Community Choice Aggregator (CCA) program for California that permits purchases of power by CCAs for local residents and businesses.

CCAs are governmental entities formed by cities and counties to provide power to local residents and businesses. The state Legislature has expressed the state's policy to permit and promote CCAs by enacting Assembly Bill (AB) 117. AB 117 authorizes the creation of CCAs, describes essential CCA program elements, requires the state's utilities to provide certain services to CCAs, and establishes methods to protect existing utility customers from liabilities that they might otherwise incur when a portion of a utility's customers transfer their energy services to a CCA.

Today's decision is the second decision issued by the Commission to address ways to create a CCA program in compliance with AB 117. A previous Commission decision (D.04-12-046) addressed rates, tariff, and cost allocation issues. That order stated the Commission's intent to protect bundled utility customers from the possible cost impacts of CCA programs while seeking to establish reasonable costs for the utility services CCAs and their customers would require. The Commission determined that AB 117 does not confer general jurisdiction over CCAs but requires the Commission to take certain actions to protect utility bundled customers and assure reasonable service to CCAs, actions that are incidental to the Commission's regulatory oversight of public utilities.

Cities and counties have become increasingly involved in implementing energy efficiency programs, advocating for their communities in power plant and transmission line siting cases, and developing distributed generation and renewable resource energy supplies. The CCA program takes these efforts one step further by enabling communities to purchase power on behalf of the

community. Already, several cities and counties have either formed CCAs or have stated intent to create them.

For more information on the PUC, please visit www.cpuc.ca.gov.

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